

## Message Text

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PAGE 01 BRASIL 04524 031639Z  
ACTION EB-07

INFO OCT-01 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00  
DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04  
NSAE-00 NSC-05 PA-01 EPG-02 AID-05 SS-15 STR-04  
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 IO-13  
OIC-02 SIL-01 FEA-01 AF-10 ARA-06 EA-07 EUR-12  
NEA-10 /137 W

-----040328Z 056374 /70

R 031530Z JUN 77

FM AMEMBASSY BRASILIA  
TO SECSTATE WASHDC 2005  
INFO USMISSION GENEVA  
AMEMBASSY CANBERRA  
AMEMBASSY LIBREVILLE  
AMEMBASSY LISBON  
AMEMBASSY MOSCOW  
AMEMBASSY NEW DELHI  
AMEMBASSY OSLO  
AMEMBASSY PARIS  
AMEMBASSY PRETORIA  
USUN USMISSION NEW YORK 691  
AMCONSUL RIO DE JANEIRO  
AMCONSUL SAO PAULO

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EO 11652 NA  
TAGS EMIN ETRD UNCTAD BR  
SUBJECT: UNCTAD: COMMODITIES-MANGANESE

REF GENEVA 3618

1. ECONOFF PAID CALL JUNE 1 ON JOSE CARVALHO, FONMIN OFFICER IN CHARGE OF MINERALS, TO DISCUSS IN GENERAL TERMS THE UPCOMING UNCTAD MEETING ON MANGANESE. FOLLOWING ARE HIS COMMENTS.  
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PAGE 02 BRASIL 04524 031639Z

2. THE CONCEPT OF A MANGANESE AGREEMENT: HE RECOGNIZED THAT MANGANESE WAS AN UNUSUAL COMMODITY AND THAT ANY EVENTUAL MANGANESE AGREEMENT PROBABLY WOULD NOT HAVE A GREAT DEAL IN COMMON WITH OTHER COMMODITY AGREEMENTS. HE COMMENTED THAT HE WAS AWARE THAT THE UNCTAD SECRETARIAT ITSELF SEEMED TO BE HAVING PROBLEMS WITH THE PREPARATIONS FOR THE MEETING, JUDGING BY THE FACT THAT THE PRELIMINARY

PAPERS HAD NOT YET ARRIVED.

3. DC VS LDC MANGANESE PRODUCERS: CARVALHO DID NOT SHOW SYMPATHY FOR THE CONCEPT OF PREFERENTIAL TREATMENT (GUARANTEED MARKET SHARES) FOR LDC PRODUCERS. HE ARGUED THAT THE UNCTAD INTEGRATED COMMODITY PROGRAM WAS INTENDED TO RATIONALIZE COMMODITY MARKETS, NOT SUPPORT INEFFICIENT PRODUCERS. HE REGARDED BRAZIL AS AN EFFICIENT LDC PRODUCER AND SAW NO MAJOR DC COMPETITION EXCEPT AUSTRALIA (HE DID NOT MENTION SOUTH AFRICA).

4. BUFFER STOCKS: THE QUESTION OF BUFFER STOCKS AS A MEANS OF MARKET REGULATION DID NOT COME UP DURING THE CONVERSATION. CARVALHO DID, HOWEVER, EXHIBIT KEEN INTEREST IN THE QUSTION OF STRATEGIC STOCKS MAINTAINED BY CERTAIN COUNTRIES, NOTABLY THE US STOCK MANAGED BY GSA. HE STATED THAT ANY EVENTUAL MANGANESE AGREEMENT WOULD HAVE TO TAKE THESE STOCKS INTO ACCOUNT.

COMMENT FOR SECSTATE: CARVALHO ASKED FOR INFORMATION ON THE SIZE OF ANY US MANGANESE STOCKS AND THE CONDITIONS UNDER WHICH THEY MAY BE RELEASED. WE WOULD APPRECIATE RECEIVING THIS INFORMATION TO PASS ON TO HIM. END COMMENT.

5. EABED MINING: CARVALHO RECOGNIZED THAT SEABED MINING FOR MANGANESE MAY BECOME AN IMPORTANT FACTOR IN THE FUTURE SUPPLY PICTURE FOR MANGANESE, BUT HE DID NOT THINK THAT SEABED MINING WOULD BE FEASIBLE BEFORE 1985 AT THE EARLIEST. HE STATED THAT THE QUESTION OF SEABED MINING FOR MANGANESE WAS FIRST AND FOREMOST A MATTER FOR THE LOS CONFERENCE AND ONLY SECONDARILY A MATTER FOR THE UNCTAD MEETING ON MANGANESE.

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PAGE 03 BRASIL 04524 031639Z

CRIMMINS

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## Message Attributes

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